Scottish Widows Mixed Pension (Series 2)

Pension Fund
Asset Allocation (as at 31/03/2017)

- International Equities 48.1%
- UK Equities 27.3%
- Global Fixed Interest 10.0%
- UK Fixed Interest 6.7%
- Cash 4.5%
- Property 3.4%

The composition of asset mix and asset allocation may change at any time and exclude cash unless otherwise stated.

This document is provided for the purpose of information only. This factsheet is intended for individuals who are familiar with investment terminology. Please contact your financial adviser if you need an explanation of the terms used. This material should not be relied upon as sufficient information to support an investment decision. The portfolio data on this factsheet is updated on a quarterly basis.

Fund Aim
The fund aims to achieve long-term growth by investing in a mixed portfolio of UK and overseas company shares, fixed-interest stocks, index-linked stocks, property and cash deposits. The fund is likely to invest mainly in company shares and property.

Basic Fund Information
Series 2 Unit Launch Date: 31/07/2000
Fund Size: £4103.0m
Sector: ABI Mixed Investment 40%-85% Shrs
ISIN: GB0009393751
MEX ID: SWPMX2
SEDOL: 939375
Manager Name: Matthew Davies, Mark Henzell
Manager Since: 30/06/2000

Top Ten Holdings
(as at 31/03/2017)
S&P500 EMINI FUT JUN17 FUT (16/06/17) ETD 7.7%
BUY PROT CDX.NA.IG.28 VERSION 1 2.7%
1.0% 20/06/2022 BC
DIRECT PROPERTIES GBP 2.3%
TOPIX INDX FUTR JUN17 FUT (08/06/17) ETD 1.9%
HSBC HOLDINGS PLC COMMON STOCK GBP 1.7%
LONG GILT FUTURE JUN17 FUT (28/06/17) ETD 1.6%
AUST 10Y BOND FUT JUN17 FUT (15/06/17) ETD 1.3%
BP ORD USD0.25 1.2%
ROYAL DUTCH SHELL PLC A SHS COMMON STOCK GBP 1.1%
EURO STOXX 50 JUN17 FUT (16/06/17) ETD 1.0%
TOTAL % OF FUND 22.5%
Past performance is not a guide to future performance. Investment value and income from it may fall as well as rise, as a result of market and currency movements. You may not get back the amount originally invested.

**Discrete Performance**

<table>
<thead>
<tr>
<th>Fund</th>
<th>31/03/16-31/03/17</th>
<th>31/03/15-31/03/16</th>
<th>31/03/14-31/03/15</th>
<th>31/03/13-31/03/14</th>
<th>31/03/12-31/03/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scottish Widows Mixed Pension (Series 2)</td>
<td>21.0%</td>
<td>-2.1%</td>
<td>10.1%</td>
<td>4.4%</td>
<td>12.5%</td>
</tr>
<tr>
<td>ABI Mixed Investment 40%-85% Shrs</td>
<td>17.9%</td>
<td>-3.0%</td>
<td>11.3%</td>
<td>4.7%</td>
<td>12.4%</td>
</tr>
</tbody>
</table>

Information is shown as unavailable if prior to the launch of fund.

**Cumulative Performance**

<table>
<thead>
<tr>
<th>Fund</th>
<th>30/04/17-31/05/17</th>
<th>28/02/17-31/05/17</th>
<th>31/05/16-31/05/17</th>
<th>31/05/15-31/05/17</th>
<th>31/05/14-31/05/17</th>
<th>31/05/13-31/05/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scottish Widows Mixed Pension (Series 2)</td>
<td>2.2%</td>
<td>2.8%</td>
<td>22.9%</td>
<td>29.5%</td>
<td>63.2%</td>
<td></td>
</tr>
<tr>
<td>Quartile</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>ABI Mixed Investment 40%-85% Shrs</td>
<td>2.4%</td>
<td>3.3%</td>
<td>19.7%</td>
<td>27.3%</td>
<td>60.6%</td>
<td></td>
</tr>
</tbody>
</table>

Source: FE as at 31/05/2017

Performance figures are in £ sterling on a single pricing basis, with income (where applicable) reinvested net of UK tax and net of total annual fund charges. These figures do not include any initial charge or other product charge(s) that may be applicable.

**Quarterly Fund Manager Review**

All the major asset classes rose in value during the first quarter of 2017, although there was a wide disparity in returns. In the UK, the FTSE 100 index hit an all-time high of 7429.8 during March, despite concerns that the signing of Article 50, which officially gives notice of the UK’s intention to leave the European Union (EU), would result in stock market volatility. Overseas equities generally outperformed the UK market. In the US, investors spent much of the quarter focusing on the prospects for interest rates and in March, the US Federal Reserve announced its much anticipated third interest rate rise in two years. Bonds underperformed equities over the quarter amid signs of rising inflation. Bond prices ended the quarter only slightly higher in the US and UK. However, German Bund yields rose, albeit from a level only just above 0%. Corporate bonds produced slightly better returns in an environment where investors were comfortable taking on a higher level of risk. The UK commercial property market rose, but was more subdued than in the latter months of 2016. A degree of nervousness continued to affect the market ahead of the the signing of Article 50, which marked the start of formal negotiations on the UK’s exit from the EU. The Fund’s relatively large allocation to equities was positive for performance given the outperformance of equities over bonds. The relatively small amount held in cash was also positive for performance. With interest rates at record lows, returns from cash are minimal. Stock selection within the UK equity holdings was positive for performance, although this was offset to some extent by the underperformance of the US equity holdings.

Matthew Davies, Mark Henzell, 31/03/2017

The views, opinions and forecasts expressed in this document are those of the fund management house. Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact, nor should reliance be placed on these views when making investment decisions.